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Taft Stettinius & Hollister LLP

425 Walnut Street, Suite 1800 / Cincinnati, Ohio 45202-3957 / Tel: 513.381.2838 / Fax: 513.381.0205 / www.taftlaw.com
Cincinnati / Cleveland / Columbus / Dayton / Indianapolis / Northern Kentucky / Phoenix / Beijing

Kim K. Burke
513-357-9369
kburke@taftlaw.com
mobile: (513) 703-6068

April 7, 2010

Certified Mail

Thomas J. Krueger
Associate Regional Counsel C-14
United States Environmental Protection Agency
Region 5
77 West Jackson Blvd.
Chicago, IL 60604

Justin A. Savage
United States Department of Justice
Environmental Enforcement Section
P.O. Box 7611
Ben Franklin Station
Washington, DC 20044-7611

Re: Eagle Zinc Site, Hillsboro, IL The Sherwin-Williams Good Faith Offer

Dear Tom and Justin,

Don McConnell and I appreciate the time taken by Tom on April 6 (during his convalescence) to speak with us as a follow-up to the EPA/IEPA/Sherwin-Williams conference call of March 18, 2010. As Don mentioned, USEPA's decision not to accept Sherwin-Williams' proposal to perform a segment of the Supplemental Remedial Investigation with some cap on SHW's exposure was disappointing, but did not deter SHW from continuing to offer to settle (per our May 8, 2008 conceptual settlement) SHW's alleged liability at the Site for a cash-out of \$500,000. We understand that you will take this renewed offer of \$500,000 back to EPA management.

As SHW pointed out in the May 8, 2008 meeting in Chicago, and the March 18, 2010 conference call, SHW's involvement at the Site was *de minimis* if not *de micromis*. The record clearly shows that SHW owned the site for a very short period of time, and

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spent that time cleaning up the site before selling to T.L.Diamond. SHW's nominal responsibility was reflected in SHW's three-party agreement with Eagle-Picher and T.L. Diamond, pursuant to which Eagle-Picher and T.L. Diamond Co. agreed to perform the site investigation in return for a nominal contribution by SHW. EPA also took depositions to satisfy itself of the level of SHW's site involvement. Eagle-Picher declared bankruptcy, and EPA advised us that it accepted a less than fair share payment from T.L. Diamond Co. and Theodore Diamond based upon ability to pay and litigation risk, respectively.

Sherwin-Williams believes that its current offer of \$500,000 is more than its fair share given the Supreme Court's decision in Burlington Northern and its involvement at the site. I understand that EPA and DOJ intends to proceed with issuance of a CERCLA Section 122 Notice Letter to SHW, and may reopen negotiations with SHW after learning more about future site costs. Please consider this letter as Sherwin Williams' continued good faith offer to resolve this matter.

We look forward to hearing from you in the near future.

Sincerely yours,



Kim K. Burke

c. Donald J. McConnell, Sherwin-Williams